

## Message Text

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ORIGIN COME-00

INFO OCT-01 EUR-12 ISO-00 FEA-01 ACDA-07 CIAE-00 INR-07

IO-13 L-03 NSAE-00 NSC-05 EB-07 NRC-05 OES-06 DODE-00

ERDA-05 DOTE-00 FMC-01 SAL-01 CG-00 DLOS-06 SS-15

PM-04 /099 R

DRAFTED BY MARAD:ZLEVINE:AN

APPROVED BY OES/NET/RD:JBDEVINE

EB/TT/MA - MR. BANK

OES/NET/RD: MR. ADLER

ERDA - MR. HELFRICH

L/OES - MR. BETTAUER

US COAST GUARD - MR. DECK

EUR/CAN - MR. BLAKEMORE

P; - MR. GROSE

EUR/CE - MR. CASAGRANDE

DESIRED DISTRIBUTION

NRC - MR. GUHIN

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R 070638Z AUG 76

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TO AMEMBASSY BONN

INFO AMEMBASSY OTTAWA

AMCONSUL HAMBURG

C O N F I D E N T I A L STATE 196753

E.O. 11652: GDS

TAGS: TECH, CA, US

SUBJECT: COMPETITION FOR CANADIAN NUCLEAR ICEBREAKER

1. CANADIAN COAST GUARD (CCG) RECENTLY COMPLETED PART A,  
ECONOMIC AND ENGINEERING FEASIBILITY STUDY, OF THEIR POLAR-  
VII ICEBREAKER PROGRAM. THEIR CONTRACTOR, CECO CONSULTANTS  
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LIMITED (CECO) HAS ISSUED INVITATION TO PROSPECTIVE BIDDERS

IN U.S., FRG, UK, AND FRANCE LEADING TO SELECTION OF A SINGLE NUCLEAR STEAM PLANT VENDOR TO PARTICIPATE IN PART B, DESIGN STUDY PHASE, BEGINNING EARLY 1977 AND ESTIMATED TO TAKE 1 1/2 TO 2 YEARS. SELECTED VENDOR SUBSEQUENTLY MAY RECEIVE A NEGOTIATED CONTRACT FOR SUPPLY AND CONSTRUCTION PHASE, PART C, ENDING WITH SEA TRIALS IN 1983.

2. THE BASIC CONCEPT IS THAT THE ICEBREAKER HULL WILL BE CONSTRUCTED IN A CANADIAN SHIPYARD AND TOWED TO THE REACTOR SUPPLIER COUNTRY FOR INSTALLATION AND TEST OF THE NUCLEAR PROPULSION PLANT. INFORMATION AVAILABLE TO DATE INDICATES THAT INTERATOM OF FRG IS THE MAJOR COMPETITOR TO THE U.S. INDUSTRIAL TEAM OF BABCOCK & WILCOX AND NEWPORT NEWS SHIP-BUILDING. MARAD AND STATE ARE ENDEAVORING TO COORDINATE U.S. GOVERNMENT ACTIONS TO ASSURE THAT THE U.S. INDUSTRIAL TEAM CAN OFFER A STRONG BID IN THIS FIRST INTERNATIONAL

COMPETITION FOR SUPPLY OF A NUCLEAR MERCHANT SHIP PROPULSION SYSTEM.

3. CECO'S INVITATION REQUIRES FORMAL RESPONSE BY PROSPECTIVE REACTOR SUPPLIERS AUGUST 31, 1976. CECO HAS REQUESTED DETAILED INFORMATION IN RESPONSE TO A QUESTIONNAIRE RATHER THAN REQUESTING FIRM, FORMAL BIDS. CECO INDICATES THAT A CONTRACT FOR PART B, DESIGN STUDY PHASE, WILL BE NEGOTIATED WITH THE SELECTED SUPPLIER BASED ON INFORMATION AND COST ESTIMATES SUBMITTED IN RESPONSE TO THE QUESTIONNAIRE. TO ASSIST IN THIS EFFORT, WE WILL APPRECIATE ANY INFORMATION THE EMBASSY CAN PROVIDE REGARDING THE FRG COMPETITION. IN PARTICULAR, INFORMATION ON AND CONFIRMATION OF THE FOLLOWING IS REQUESTED:

A. WE UNDERSTAND INTERATOM AND GESELLSCHAFT FUR KERNERGIEVERWERTUNG IN SCHIFFBAU AND SCHIFFFAHRT MBH (GKSS) (HEAVILY SUPPORTED BY THE GERMAN GOVERNMENT) WILL SUBMIT A RESPONSE AS JOINT VENTURE PARTNERS. WE WOULD APPRECIATE CONFIRMATION OR CLARIFICATION OF GKSS ROLE.

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B. WE UNDERSTAND INTERATOM-GKSS WILL SUBMIT A FIRM, FIXED-PRICE OFFER FOR PART B, DESIGN STUDY PHASE, AND MAY INCLUDE A FIRM OFFER FOR PART C ALTHOUGH CECO CALLS ONLY FOR ESTIMATES.

C. WE WOULD LIKE TO KNOW WHETHER FRG OFFER IDENTIFIES ANY R & D WHICH CANADIANS WOULD HAVE TO FUND.

D. WILL THE PART B ENGINEERING BE PERFORMED IN GERMANY OR IN CANADA? WILL PART C INSTALLATION AND TEST BE DONE IN GERMANY OR CANADA IF INTERATOM IS SELECTED?

E. WHAT SCHEDULE FOR PARTS B AND C IS PROMISED BY INTERATOM?

F. WHAT IS THE STATUS OF NUCLEAR SHIP PROPULSION PLANT LICENSING IN GERMANY? WILL INTERATOM OFFER TO LICENSE THEIR PLANT IN GERMANY OR CANADA OR BOTH?

G. ARE ANY GOVERNMENT-TO-GOVERNMENT AGREEMENTS UNDER DEVELOPMENT BETWEEN FRG AND CANADA RELATED TO THIS PROGRAM?

H. DOES GKSS ANTICIPATE SUBCONTRACTING FOR ENGINEERING OR HARDWARE SUPPLIES TO CANADIAN FIRMS? IF SO, WHAT

DOLLAR AMOUNTS OR PERCENTAGE OF BID IS ESTIMATED TO BE ALLOCATED TO CANADIAN SOURCES OF SUPPLY?

4. ADDRESSEES ARE NO DOUBT AWARE OF NECESSITY FOR LOW-KEY APPROACH IN BOTH MARITIME AND SCIENTIFIC COMMUNITIES. SOONEST RESPONSE, INDICATING WHERE NECESSARY, INABILITY TO OBTAIN INFORMATION REQUESTED ABOVE, WILL BE APPRECIATED. HABIB

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** JOINT VENTURES, PROPOSALS (BID), CONTRACTS, NUCLEAR POWERED SHIPS, ICEBREAKERS  
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**Copy:** SINGLE  
**Draft Date:** 07 AUG 1976  
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**Disposition Approved on Date:**  
**Disposition Authority:** ellisoob  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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